

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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JUL 7 1992

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 92-77

In the Matter of

Billed Party Preference for
O+ InterLATA Calls

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FILE

The American Association of Airport Executives (AAAE), which represents more than 2,000 airport executives at U.S. airports, hereby submits comments on FCC's Notice of Proposed Rulemaking 92-169, released May 8, 1992, on the question of whether to implement "Billed Party Preference" (BPP), a proposal whose intent is to benefit the consumer by automatically routing O+ calls to the billed party's preferred long distance provider for calls from public pay phones.

The focus of our members' interests and energies is serving the needs of the millions of people who use public airports every day. Airports are publicly owned facilities and our members are public employees, concerned with the service of their local constituents and other airport users. Our members' customers—the traveling public—make thousands of calls each day from the pay phones at public airports, and we consider the provision of convenient, accessible and reasonably priced telecommunications an essential service.

So the real question for AAAE is: Will BPP ultimately benefit the traveling public and advance the interests of its members to provide this vital public service?

In response to the FCC's tentative rulemaking, AAAE opposes going forward with BPP until the association can be assured that the Commission has answered a number of questions about the long-term, comprehensive impact of BPP on all segments of the traveling public.

Under the BPP scenario envisioned by the Commission, operator services competi-

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tion for public phone traffic will be focused “on the end user rather than on the premises owner.”

When a customer places a 0+ call from a public phone in a public airport, the telephone network will automatically switch the call to the operator service provider pre-selected by the party being billed for the call, instead of the current practice under which 0+ calls are sent directly to the service provider pre-subscribed to the originating line. BPP is intended to be a more “user-friendly” system than the current method, the Commission argues, because callers could make all their operator-assisted calls on a 0+ basis—and they would be guaranteed that their call would be automatically handled by the operator services provider chosen by the billed party.

The concept of BPP, on the surface, is attractive. Public airports naturally consider consumer satisfaction as a key mission and would not oppose a mechanism which they were convinced would provide better public service. We are not sure, however, that the clearly positive intent of the BPP proposal will be achieved in practice. We fear that BPP may not withstand a comprehensive examination of its far-reaching impacts as a benefit to the traveling public, when compared to the reasonably available alternatives that may be less costly. Among the questions and issues AAAE members ask the Commission to consider are:

- Many recent and planned innovative telephone services and features may not be available if BPP is implemented in a manner that eliminates the incentive of some of today’s public pay phone providers.
- Consumers would be inconvenienced through their inability to use commercial credit cards in placing calls if BPP is adopted in a manner that produces such a result.
- Visitors from foreign countries could have even more problems placing calls charged to cards issued by foreign telephone companies or placed on a collect basis.
- The cost of implementing BPP could run into millions of dollars, with end users bearing the brunt of these costs as they are reflected in more expensive telecommunication services.

This expense may be magnified as a questionable public benefit after a fair review of reasonably available alternatives.

- The number of public pay phones available to consumers could be reduced by BPP if it is adopted in a manner that eliminates incentives for some of today's telephone providers. The benefit of carrier preference is not much of a benefit if it carries with it increased difficulty for a customer finding a pay phone in a public airport from which to place a call.

Another aspect of BPP that could have an important effect upon airports is the fact that commissions currently paid to facility providers such as airports could be virtually eliminated by BPP.

It is important to emphasize the fact that commissions paid to public airports are funneled back into improving and upgrading facilities vital to air travelers and the general public. The cost of operating an airport today—including, very significantly, bringing it into compliance with the myriad of safety, environmental and health regulations imposed by federal and state governments—is great, and financing these costs is achieved through a creative combination of revenues. Public airports attempt to fairly charge all the commercial operations that seek to profit from the market created by the airport, so that users rather than the general public pay the costs of these very expensive, publicly owned facilities. Commissions also are used to pay the costs of providing special services, such as handicapped access and communications services that can be critical to the traveling handicapped public.

The provision of an abundant number of efficient, high-technology pay phones is a very important service that airports—through the local and long distance carriers and private telephone vendors with which they do business—provide to their users. Removing the incentives for some of these companies to install and service equipment, or to serve as a public facility's designated carrier for customers who do not have or wish to access a preferred carrier, at high-traffic areas

such as public airports could well have a net negative impact on customer service.

Again, BPP's intent is not in question. But perhaps the most prudent course at present is to carefully examine the impact of another initiative taken by the Commission after a reasonable amount of experience.

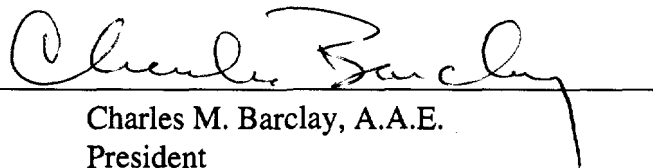
That initiative, in the form of a rulemaking, required pay phone providers to discontinue—by March 1992—the practice of “blocking” equal access codes, and required other aggregators to unblock this access over a six-year period, depending upon equipment and costs involved. With consumers already trying to assimilate the many advances and changes in long distance telephone technology that have occurred in recent years, this new “development” needs time to sink in. With most estimates placing the implementation timeframe for BPP in 1995, consumers by then may have adjusted to the various long distance alternatives offered by service providers. This experience could lessen—or eliminate—the need for the major changes and considerable costs involved in BPP implementation.

AAAE respectfully recommends that the Commission suspend the introduction of BPP for public pay phones at public airports until such time as the questions raised about the impact on telephone consumers can be answered with greater certainty. The members of AAAE are concerned that billing preference in this instance may not be synonymous with customer satisfaction.

Respectfully submitted,

AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

By

A handwritten signature in cursive script, reading "Charles M. Barclay", written over a horizontal line.

Charles M. Barclay, A.A.E.
President

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Dated: July 2, 1992